

DATE: September 10, 2003

TO: All Civil Service/Exempt Departments

FROM: State Controller's Office  
Don Ward, Manager  
Personnel/Payroll Operations  
(916) 322-8805

RE: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the August 14, 2003 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the September 11, 2003 meeting.

We would like to thank those department representatives that participated in the August meeting for their time and effort. There were 57 representatives from 38 departments that participated in this meeting.

Personnel/Payroll Review Committee  
August 14, 2003 Meeting Notes

The meeting was called to order at 1:30 by Don Ward.

Departments represented:

Aging, Air Resources Board, Board of Equalization, California Energy Commission, California Highway Patrol, CA Integrated Waste Management, CalPERS, California Student Aid Commission, Consumer Affairs, Corporations, Corrections, Department of Personnel Administration, Department of Toxic Substance Control, EDD, Environmental Health Hazard Assessment, Finance, Food & Agriculture, Forestry and Fire Protection, Franchise Tax Board, General Services, Health and Human Services Data Center, Housing & Community Development, Justice, Legislative Counsel Bureau, Lottery, Managed Care, Mental Health, Motor Vehicles, Peace Officers Standards & Training, Rehabilitation, State Controllers Office, State Personnel Board, State Teachers Retirement System, Transportation, Treasurer's Office, Veteran Affairs, Water Resources, Water Resources Control Board.

Old Business:

None

New Business:

Agenda Items  
Distribute Handout Materials  
Approve Prior Meeting Notes  
Guest Speakers  
SCO Update  
Department Issues/Concerns  
Confirm Next Meeting Agenda, Time and Place

Discussion:

Approved July 2003 meeting notes.

Guest Speaker:

Ron Hutcheson, Manager of PPSD's Customer Support Section provided the following updates on Statewide Training, the Management Information Retrieval System (MIRS), and the California Leave Accounting System (CLAS).

#### Statewide Training

- Joan Collins – Training Administrator will retire August 22, 2003.
- Doris Meekins – Training Officer, who delivers the Employment History Overview, PAR Documentation, and Corrective Active training programs will retire December 15, 2003.
- Statewide training for the Fall 2003 semester (September – December) will begin September 4, 2003. For the Fall Semester, 45 training programs have been scheduled and 826 trainees enrolled in classes.
- The scheduling process for the Winter 2004 semester (January – March) will begin during September 2003. The key dates of this process follow:

09/03/03 - Personnel Letter (Statewide Training Catalogue for the Winter 2004 Semester distributed.

09/09/03 - Statewide training 'Needs Assessment' distributed.

09/22/03 - Needs Assessment cut-off.

10/21/03 - Winter 2004 Semester training schedule published.

10/27/03 - Training Administrator begins contacting department and scheduling trainees for classes.

In view of the State's budget situation, consideration is being given to potential budget reductions that may effect the Statewide Training programs. As such, a survey was conducted with the PPRC attendees that involved prioritizing the 12 statewide training courses in order of their importance and benefit. The survey results follows:

- 1) Fundamentals of Personnel
- 2) Introduction to Salary Determinations
- 3) Advanced Salary Determinations
- 4) Corrective Active Actions
- 5) PAR Documentation
- 6) Non-Industrial Disability
- 7) Fundamentals of Payroll
- 8) Garnishment Documentation
- 9) Worker's Compensation – Documentation
- 10) Workers Compensation – The Beginning Steps
- 11) Employment History Overview
- 12) Payroll Input Process

Question: With the hiring freeze being extended for an additional two years, it is a concern that Personnel Specialists will become a bit “rusty” in some procedures. Will the Training Section please consider bringing back “Refresher” classes, perhaps for the Fall 2005 semester?

Answer: Consideration will be given to this request based on overall department training needs and PPSD’s training resource availability.

## MIRS

- Two new MIRS training programs have been developed. These one day classes, MIRS Refresher and MIRS Intermediate, were created based on comments and suggestion from the 2002 MIRS Customer Satisfaction Survey.
- The MIRS web site (<http://www.sco.ca.gov/ppsd/mirs/mirs.shtml>) has been revised to enhance user friendliness and now includes the following:

MIRS Training Page – describes the training enrollment process, and provides course descriptions and prerequisites.

MIRS Helpful Hints – the previous ‘MIRS Publications’ page was eliminated and a new link on the ‘MIRS Reference’ page established for MIRS helpful Hints. The Helpful Hints link provides information ranging from maintaining your library to creating defines, and includes embedding data.

MIRS Overview - provides an overview of the MIRS process, including department participation costs.

- It is anticipated that a ‘MIRS Advanced’ class will be developed and available during 2004.

## CLAS

- In response to the Department of Personnel Administration’s July 1, 2003 implementation of a Personal Leave Day (PLD) program for excluded employees, a new ‘earned’ benefit was developed to track PLD on CLAS. The benefit ID ‘LD’ will be used to post PLD hours to CLAS. Please refer to Leave Letter #03-022 for more information.
- The CLAS web site (<http://www.sco.ca.gov/ppsd/clas/index.shtml>) has been revised to enhance user friendliness and now includes a CLAS Overview link, which provides an overview of the CLAS process, including department participation costs.

## SCO Update:

General Salary Increase (GSI): Provided tentative dates for processing the retroactive GSI for various bargaining units based on receiving the final DPA Pay Letter. Personnel Letter # 03-011 was subsequently issued August 20, 2003 describing the process and timeframes.

July 2003 Green Cycle Payments: We encountered a problem with July 2003 green cycle payments issued July 24th, 25th, 28th and 29th. Due to a processing error, a number of July 2003 pay period payments issued in these cycles had various discrepancies. The majority of discrepancies involved erroneous retirement contributions withheld. A subsequent email note was sent to all departments on August

15, 2003 describing the specific problems and our plans to resolve these discrepancies. All the necessary adjustments were processed as of September 5, 2003.

**Domestic Partner Benefits:** We identified a number of employees with domestic partner benefits for either health or dental reflecting party codes 2 or 3 rather than A or B. The party code A or B is necessary to generate the necessary tax adjustments required (refer to Payroll Letter #00-008 issued May 22, 2000). We will be contacting the departments who have employees affected by this and let you know when these tax adjustments will be made. Several employees owe substantial amounts.

**Civil Service Benefit Cutoff Calendar:** We are changing the time shown on the Civil Service Benefit Cutoff Calendar for keying HDB-12's to ACES. Currently, we are showing a cutoff time of 4:00 PM. However, according to CalPERS, the cutoff time has been changed to 3:00 PM. The September calendar will show the new time.

**Court Ordered Support Orders:** We are receiving support orders in the Garnishment Unit. Departments are sending the orders in with the Garnishment STD. 639 form as back up. We do not need these.

**PI Flex Cash Documents:** These documents must be received in this office no later than September 2<sup>nd</sup>. If we do not receive them timely they must go to DPA for approval.

**PIP System Changes:** We are receiving calls in the Payroll Telephone Liaison Unit asking how to unprotect the alternate fund agency and unit fields. Please refer to Payroll Letter 03-11 issued July 16, 2003.

**IRS Lock In Letters:** System modifications have been made in preparation for preventing departments from keying certain tax withholding changes in accordance with IRS lock in letters. Also, IRS has provided us with a list of state employees that should have a lock in letter on file. A list will be provided to each department with affected employees prior to SCO updating the EAR. A Personnel Letter will be issued in the near future regarding this process.

**Suspended Payments/Transactions:** We're getting close to placing these reports on View Direct. We plan to issue a final Suspended Payment paper report very soon. Also, we will be requesting your assistance in reviewing/clearing as many payments as you can. Once you have had an opportunity to work with this report, we plan to automatically delete those payments suspended for more than 12 pay periods. A Payroll Letter is forthcoming regarding this process.

**PIP Capabilities:** We have discussed the department's ability to key a variety of payments via PIP. However, we are still receiving quite a few unnecessary 674's requesting payments/adjustments that can be keyed via PIP. As such, I have assigned a staff person to review and determine which 674's should be keyed by the departments. Once identified, a call will be made to the Transactions Supervisor. So far, we identified over 180 requests for payments/adjustments that should have been keyed via PIP.

**Accounts Receivable (A/R's):** Currently, SCO does not establish A/R's for the overpayment of salaries and wages if less than \$5.00, unless requested by the department. This procedure is based on an old Board of Control rule or now the Victims Compensation and Government Claims Board rule # 625. The rule says in part that,

" The Controller may in his discretion disregard net errors of \$5 or under in each individual claim if in doing so time and expense will be saved. Based on the increased costs associated with establishing and collecting A/R's, we are looking at the feasibility of changing this rule to better reflect the true cost. We will continue to keep you informed of our progress.

Telephone Liaison Unit Hours: We are looking at the possibility of changing certain Telephone Liaison Unit hours from 9:00 to 3:00 with possibly no voice mail available for these units. This will only be done if we have further staff reductions. The majority of PPRC attendees were not in favor of this change. As such, more discussions will occur before we make any changes.

Document Corrections: We correct a number of documents for departments by contacting the person that completed the document by telephone. Partly, because of the increased usage of voice mail, we are spending additional time with follow-up calls before we actually make contact and correct your documents. In some cases, we have held documents in excess of 5 days awaiting a response. To save staff time, we have implemented a new procedure effective September 5, 2003 whereby we will leave a telephone message and if we don't hear back from you within 24 hours or one full workday, we will return the document.

Position Control: The deadline for submitting 607's as a result of Government Code 12439 was August 15, 2003. These are the self-certified ones that are not on the June 30<sup>th</sup> Department of Finance (DOF) Vacant Position Listing. DOF provided us a file of the 16,000 plus positions vacant as of June 30<sup>th</sup> and instructed us to verify every 607 received against the file. Also, we were instructed to return any 607 that appeared on the file that did not have Finance approval.

#### QUESTIONS/CONCERNS:

Question: Is there training or a manual for Master Payroll Certification (MPC) or Taxi?

Answer: MPC is addressed in the Fundamentals of Payroll training class. Also, the PPM covers MPC in both Section D under the 672 Time and Attendance and under Section M. Additionally, we provided an MPC training manual to the departments when MPC was implemented. Unfortunately, we are unable to provide additional copies. There is no training available for the Year-To-Date inquiry system or (TAXI). However, instructions can be found in Payroll Letter #98-004.

Question: Can the Personnel Office Directory be arranged in numeric agency code order similar to the PPM?

Answer: No, since many departments have multiple agency codes, and not always in sequential order, we felt it would be better to show the agencies grouped by department. However, if you use the find feature or the binoculars and enter the agency code you can search for the respective department.

Question: Can we have the Personnel Directory show when an individual agency has updated its information.

Answer: This information is already shown on the directory. If you will look at the agency name, under that is a box with the public number and the fax number. Between these two items, if the agency has updated anything this year you will find "Last Updated and the Date".

Question: If an exempt, confidential, managerial or supervisory employee who is now earning PLD every month and they go to a rank and file position that has a GEN how do they post the Gen to the employee's PAR down the road?

Answer: DPA will be establishing ranges for these classes. If the movement is within the same class, you would key a 126 transaction to change the CBID to rank and file, and with the same effective date key a 335 transaction to change the range and correct the salary appropriately. If the movement is to a different class you would make the changes on the appointment transaction.

Question: How late can a Direct Deposit be cancelled and still be effective for that month's Master?

Answer: They must be received by Master Payroll cutoff. We process these up until 5:00 PM on that day.

Question: When does the Direct Deposit tape get sent to the banks for Master payroll?

Answer: It is not a tape, it is sent electronically and it is sent the evening before payday.

Question: Will there be an increase in the state share for Health?

Answer: This is part of the bargaining unit process.

Question: For future agenda notes could you include who's going to be the guest speaker if there is going to be one?

Answer: Yes, if we know prior to the notes going out.

The following COBRA information was received from CalPERS after last month's meeting notes had already been sent out. They are included here for your information.

COBRA:

Question: An employee separated and you process the COBRA for the employee, then one year later the ex-employee comes in with a request for you to enroll a new baby into Cobra. I am asking the other members first, would you process this enrollment or refer the employee to CalPERS? Several attendees stated they would process the enrollment. There followed much discussion of the rules book and statements that the rules say the "once you have processed the initial COBRA documentation, you have met your commitment". It also says you no longer need to maintain the records for COBRA enrollees. Members stated that CalPERS needs to make these rules standard and verify that the instructions are complete and valid. Ex-employees are being bounced around without receiving the help they need. There is an additional concern that since the law has recently changed and the employees are provided up to an additional 18 months of COBRA coverage, this will increase the Human Resources Office workload.

Answer: All agencies are required by Federal Law to maintain COBRA documentation for their members. If a member separates and later wants to add a dependent or make an open enrollment change, members must go through their employer to complete this transaction. CalPERS will reject all COBRA documentation that has not been processed by the employer first.

When the member retires and is receiving a retirement allowance from CalPERS, then CalPERS is responsible for COBRA enrollments.

RE: Additional workload, unfortunately all state agencies are affected by new legislation. It's the nature of our jobs.

Question: The attendees are also asking for a COBRA training session geared toward state agencies. The existing COBRA training is a 5-day class and a lot of the material is not applicable to state agencies. State agencies are limited in training time and travel dollars and 5-day classes are outside what many can afford. Perhaps at the State Training Center?

Answer: Currently, CalPERS doesn't offer COBRA training for State Agencies.

Question: We are being told that we need to process COBRA open enrollment documents as well. Is it our responsibility? As above, we feel that once we have transitioned a person to COBRA, we have no further requirement to process documents for them.

Answer: As mentioned above agencies are responsible for open enrollment changes for COBRA enrollees.

Concern: There is a problem with the fact that SSA#s are deleted from the ACES system too quickly and does not give the agencies a chance to key the deletes. It is reported that agencies may call the ACES group and have an SSA# added back to ACES long enough for them to key the deletes and process the COBRA documentation. This is especially concerning when the affected person is a 23 year old. DPA advises that there are COBRA violations occurring because of this situation.

Answer: ACES is now setup to so agencies can process COBRA transactions. In the past employers could not see COBRA enrollees on ACES, however, this has been fixed. COBRA transactions can now be processed on ACES.

Question: Is CalPERS making an arbitrary decision that it is the agencies' responsibility or is it documented somewhere?

Answer: This is not an arbitrary decision, it's Federal Law. COBRA documentation protects employers and employees.

Question: When you send out open enrollment materials, will there be COBRA open enrollment material sent to the COBRA members?

Answer: Yes, since COBRA is just a continuation of the employer health benefits, COBRA enrollees receive the same materials.

Question: Our problem with being responsible for this activity is that once we have processed the COBRA enrollment, and the employee has separated, we no longer have knowledge of what is going on with them such as new babies.

Answer: It is the employees' responsibility to notify their employer of enrollment changes. CalPERS will refer COBRA enrollees back to their last employer.

Question: Can we refer these people to the carrier?

Answer: No, the carriers will not process enrollment transaction from the member. All enrollment transactions must come from the employer.

Closing:

The PPRC encourages attendance by department representatives interested in improving the efficiency of personnel/payroll administration. However, if you are unable to attend these meetings and you have an issue or question you would like the committee to address, please contact Don Ward with pertinent information.

Next Meeting:

The next Meeting is Thursday, September 11, 2003 from 1:30 to 3:30 at:

State Controller's Office  
300 Capitol Mall, 6<sup>th</sup> Floor, Room 635  
Sacramento, CA 95814

Listed below are the PPRC meeting dates for the 2003 calendar year. All meetings are from 1:30 to 3:30 at the above location.

October 9, 2003 (cancelled)

November 13, 2003

December 11, 2003 (cancelled)

Should you have any questions regarding the PPRC meeting or have additional input, please contact Don Ward at (916) 322-8805 or via e-mail at [dward@sco.ca.gov](mailto:dward@sco.ca.gov).